

SENATE BILL 3173
By Harper

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sales and use tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following language as a new, appropriately designated subsection:

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(1) Notwithstanding the allocations provided for in subsection (a), if there exists in a municipality an area commonly known as and referred to as the Tennessee state fair grounds, and only if such municipality or any board or instrumentality of the municipality which is charged with the responsibility of operating such fair grounds reimburses the state for any costs to reallocate apportionments of such tax revenue under this section, then an amount shall be apportioned and distributed to the municipality for the exclusive use of the board or instrumentality charged with the responsibility for operating the state fair grounds an amount equal to the amount of state and local sales taxes derived from sales occurring within such property, including the sale of food and drink sold on the premises, the sale of admissions to events held at such grounds, parking charges, if any, and related services.

(2) Such revenues shall be for used for operating and capital expenditures related to the maintenance and operation of the state fair grounds.

(3) For the purpose of this subsection, "municipality" means any metropolitan government, incorporated city or county located in the state of Tennessee.

(4) Notwithstanding any provision of this subsection to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, ch. 529 § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856 § 4, shall be distributed to the municipality. All such revenue shall continue to be allocated as provided in Acts 1992, ch. 529, and Acts 2002, ch. 856, respectively.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring

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